GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3593
ANSWERED ON:16.12.2005
HOUSING LOAN
Barad Shri Jashubhai Dhanabhai;Yadav Shri Anirudh Prasad (Sadhu)

Will the Minister of FINANCE be pleased to state:

(a) the amount earmarked for disbursal of housing loan of banks/FIs for 2005-06 ;

(b) whether Banks/FIs have fixed target for Housing loan during the current year ;

(c) if so, the details thereof ;

(d) the number of housing loan frauds reported in Banks during the last one year; and

(e) if so, the steps taken by the Government to achieve the target and to check frauds ?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI S. S. PALANIMANICKAM)

(a)to(c) : No target of housing loan has been fixed for Banks/ Financial Institutions during the current year. Banks are free to allocate finances for housing based on their own appraisal and loan policies, as approved by their respective Boards. However, under Golden Jubilee Rural Housing Finance Scheme (GJRHFS), the Government have fixed an indicative target of 2.75 lakh dwelling units for the current year i.e. 2005-06.

(d) : According to the information furnished by RBI, details of frauds in housing loans reported by banks during the calendar year 2004 & 2005 (up to June) are as under :

(Rs. in lakhs)

Category of Banks	2004 (1.1.2005-30.6.2005)		2005	
	No. of Frauds	Amount	No. of Frauds	Amount
Public Sector Banks	801	13965.64	409	10019.83
Private Sector Banks	118	705.30	43	434.48
Foreign Banks	31	433.13	07	61.53
TOTAL	950	15104.07	459	10515.84

(e): The following steps have been initiated by RBI to counter the menace of frauds in home loans :

(i) Requesting all State Governments to bring certain progressive measures such as marking the encumbrance of the banks on the mortgaged properties with the Registrar of assurances by payment of a nominal fee as this measure will go a long way m arresting multiple creation of mortgages by the fraudsters ;

(ii) Cautioning the banks from time to time against fraudsters and their modus operandi. RBI issued circulars to banks in May, 2002, October, 2003 and September, 2004 suggesting series of measures for checking frauds in Housing sector loans;

(iii) Monitoring the fraud cases involving Rs.l crore and above on quarterly basis ;

(iv) Issuing of caution advises to banks in respect of fraud cases involving builders/unscrupulous borrowers;

(v) Advising banks to carry out field level inspections at branches having large exposure to home loans ;

(vi) Calling the bank officials for discussions on different issues relating to housing loan frauds and to impart them knowledge about the preventive steps to be taken;

(vii) Lodging of complaints, wherever necessary, with the local police or CBI or in the courts of law in cases of fraud to deter people

and employees from indulging in such activities.